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ANNUAL REPORT

THE CINCINNATI AND SUBURBAN BELL TELEPHONE COMPANY

YEAR ENDING DECEMBER 31, 1920

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ANNUAL REPORT

THE CINCINNATI AND SUBURBAN BELL TELEPHONE COMPANY

YEAR ENDING DECEMBER 31, 1920

THE CINCINNATI AND SUBURBAN BELL TELEPHONE COMPANY

OFFICERS

B. L. KILGOUR
President and General Manager

B. T. MCBURNEY
Vice-President and Assistant General Manager

R. C. HALL
Secretary and Treasurer

J. J. BECKER
Auditor

DIRECTORS

A. J. BECHT
EDW. GOEPPER
R. C. HALL
B. L. KILGOUR
G. W. LEWIS
B. T. MCBURNEY
C. P. TAFT
H. B. THAYER

THE CINCINNATI AND SUBURBAN BELL TELEPHONE COMPANY

CINCINNATI, OHIO, January 31, 1921.

To the Stockholders:

I respectfully submit herewith Annual Report of the operation of the Company for the year 1920, including certified balance sheet and income statement.

The tremendous business expansion of 1919 continued well into the past year, and placed unusual burdens upon the Company in the way of increased demands for service and higher traffic loads. Our plant margins were practically exhausted and it was only by the most economical utilization of every plant facility that we were able to meet the situation. At no time during the year did we refuse applications for service.

In order to meet the long continued increase in the cost of operation, new rate schedules were put into effect in the summer. The new rates will provide only a sufficient return to attract capital to enable us to build additions to plant from time to time. These schedules are now under consideration by the Public Utilities Commission of Ohio.

Like all industry, the Company was greatly handicapped by the shortage of labor and material. The labor shortage reached its peak about the middle of the year, but an increased wage schedule made possible by the new rates, together with an added supply of workers available by reason of the general business readjustment the latter part of the year, enabled us to fill up the gaps in the ranks.

Considering the unavoidable handicaps faced by the Company, the service has been exceptionally good. We start the new year with the necessary complement, and although the operating experience of the traffic forces is still far below normal, the service should steadily move toward our pre-war standard.

In accordance with a resolution passed at the Annual Meeting of the Stockholders, February 18, 1920, employees were given an oppor-

tunity to become part owners of the business by purchasing stock of the Company on easy terms. Five hundred and ninety employees subscribed for a total of 2,381 shares.

On April 16, 1920, we suffered a great loss in the death of Mr. Theodore N. Vail, Chairman of the Board of the American Telephone & Telegraph Company, and a Director of this Company. To Mr. Vail, more than any one individual, is due the progress of the telephone art with its resultant benefits to mankind.

Mr. Vail was succeeded as a Director by Mr. H. B. Thayer.

The net gain for the year was 9,651, making a total of 119,662 stations.

The relations between employees and management throughout the year were exceedingly harmonious and marked by constructive action, loyalty and untiring effort on the part of the whole organization in working out our mutual problems.

The Board takes this occasion to express its sincere appreciation.

B. L. KILGOUR,

President and General Manager,
For the Board of Directors.

BALANCE SHEET

THE CINCINNATI AND SUBURBAN BELL TELEPHONE COMPANY

December 31, 1920

ASSETS

		Totals
Plant:		
Land and Buildings	$1,712,475 91	
Other Telephone Plant	12,827,481 82	
General Equipment	207,681 08	$14,747,638 81
Other Permanent Investments:		
Investment Securities	500 00	
Miscellaneous Investments	6,000 00	6,500 00
Total Permanent and Long Term Investments		14,754,138 81
Cash and Deposits	20,377 61	
Bills Receivable	118,448 36	
Accounts Receivable	250,495 59	
Materials and Supplies	324,481 90	
Marketable Securities and Other Current Assets	253,188 00	
Total Working Assets		966,991 46
Accrued Income Not Due		1,867 19
Prepayments	71,464 82	
Other Deferred Debit Items	3,588 00	
Total Deferred Debit Items		75,052 82
TOTAL ASSETS		$15,798,050 28

LIABILITIES

		Totals
Common Stock	$11,065,500 00	
Total Capital Stock		$11,065,500 00
Premiums on Capital Stock		45,239 00
Accounts Payable	337,119 19	
Total Working Liabilities		337,119 19
Accrued Liabilities Not Due		309,918 19
Liability for Employees' Benefit Fund	25,000 00	
Other Deferred Credit Items	7,813 87	
Total Deferred Credit Items		32,813 87
Reserve for Accrued Depreciation	3,458,920 14	
Reserve for Amortization Intangible Capital	28,076 72	
Total Reserves		3,486,996 86
Appropriated Surplus		290 07
Corporate Surplus Unappropriated		520,173 10
TOTAL LIABILITIES		$15,798,050 28

INCOME STATEMENT

THE CINCINNATI AND SUBURBAN BELL TELEPHONE COMPANY

Year Ending December 31, 1920

Telephone Operating Revenues		$4,700,747 85
Telephone Operating Expenses		3,311,456 91
Net Telephone Operating Revenues		$1,389,290 94
Deductions:		
Uncollectible Operating Revenues	10,800 00	
Taxes Assignable to Operations	451,477 77	
Operating Income	927,013 17	
Net Non-Operating Revenues	35,685 53	
TOTAL GROSS INCOME	962,698 70	
Rent and Miscellaneous Deductions	10,634 28	
Interest Deductions	10,115 68	
BALANCE NET INCOME	941,948 74	
Deduct Dividends	848,813 00	
SURPLUS EARNINGS	$93,135 74	

CERTIFICATE OF AUDIT

We have audited the books and accounts of The Cincinnati and Suburban Bell Telephone Company for the year ending December 31, 1920, and we hereby certify that the accompanying Balance Sheet and Income Statement are in accordance with the books, and in our opinion, correctly set forth, according to the system of accounts prescribed by the Interstate Commerce Commission, the results of the operations of the company for the year and its financial position as of December 31, 1920.

R. B. DARLING,
R. M. BURLEY,

Auditors for American Telephone and Telegraph Company.
January 21, 1921.

THE CINCINNATI & SUBURBAN
LOCAL
LONG
DISTANCE
TELEPHONE
BELL TELEPHONE CO